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The Honorable Frederick 3. Dent The Secretary of Commerce Washington, D. C. 20230

Dear Mr. Secretary:

During the past few years we have been asked to provide an increasing amount of intelligence in support of US trade and agricultural policy. Since last year's large Soviet grain purchases, the National Security Council Staff has asked us to report regularly on the outlook for grain production in the Soviet Union and the prospects for continuing Soviet grain imports. These reports are also circulated directly to Secretary Butz, Secretary Shultz, and a number of senior officials in the Department of Commerce, the Council of Economic Advisers, and the Office of Management and Budget. More recently, Mr. Kenneth Dam, Executive Director of the Council on Economic Policy, requested that intelligence collection and analysis on developments in the international grain market be given greater priority as an aid to decisions regarding export controls.

Information pertaining to grain purchase contracts has always been difficult to obtain because disclosure can have a substantial impact on market prices for grain. The usual open and classified sources have not provided timely and

accurate information on the purchases of major importers. Thus, the new reporting required of US grain trading firms by your Office of Export Control promises to be extremely helpful in the analysis of developments in the international grain market that is carried out in our Office of Economic Research.

We understand, however, that the information given to the Office of Export Control will be published only in aggregated form. This would be of only limited use in our analysis which is conducted on a country basis. We need to know not only the purchaser but also the ultimate destination of grain shipments because the USSR, in particular, often buys from one country to satisfy a commitment to deliver grain to another country.

We would appreciate receiving, therefore, a timely summary of the weekly reports given to the Office of Export Control. The summary should include information on the value and quantities of orders classified by commodity, purchaser, destination of shipment, and delivery date. We would, of course, respect any classification or restrictions on publication that you consider necessary to attach to such reports.

Sincerely,

Isl Vernon A, Walters

Vernon A. Walters Lieutenant General, USA Deputy Director

CONCUR:	* " * ;	
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Deputy Director for Inte	elligence	Date
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